

House Commerce Committee Amendment

AMENDMENT NO. _____

Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1304 House Bill No. 1086

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 46-2-205(a), is amended by inserting the following language immediately after the first sentence:

The commissioner or the commissioner's duly authorized representatives shall audit and examine the books, records, and papers employed in preparing such annual reports of each cemetery company and trustee at least once every three (3) years. The commissioner or the commissioner's duly authorized representatives are authorized to audit and examine the books, records, and papers employed in preparing such annual reports of each cemetery company and trustee more frequently than once every three (3) years whenever it appears to the commissioner that such cemetery company or trustee has failed to comply with any provisions contained in this chapter.

SECTION 2. Tennessee Code Annotated, Section 46-2-202, is amended by deleting subsection (b) and by substituting instead the following:

(b) Within forty-five (45) days after the end of the calendar or fiscal year of the cemetery company, the trustee of the improvement care fund of the cemetery company shall file with the commissioner a financial report with respect to the trust fund on forms which shall be obtained from the commissioner. Said report shall include, among other financial disclosures, specific disclosure of the following:

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(i) The current value of the assets (on both a book value and market value basis) and liabilities of the trust as of the beginning and end of the fiscal year of the trust;

(ii) Any and all sales, exchanges, or leases of any property between the trust and the cemetery company, any owner of an interest in the cemetery company, any officers or directors or managers of the cemetery company, or relatives of any such person;

(iii) Any loans by the trust or fixed income obligations due the trust classified as uncollectible or in default as of the close of the fiscal year of the trust;

(iv) Whether the trust at any time held 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interests;

(v) Whether the trust at any time engaged in any transaction or series of related transactions involving 20% or more of the current value of the trust; and

(vi) Whether there were any purchases of nonpublicly traded securities by the trust the value of which was set without an appraisal by an independent third party.

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The commissioner may require the trustee to make such additional financial reports as the commissioner may deem advisable.

SECTION 3 . This act shall take effect on October 1, 1995.